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OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



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July 27, 2007

Tom Schweizer
Interim Executive Director
St. Louis Efforts for AIDS, Inc.
1027 Vandeventer, Suite 700
St. Louis, MO 63108

RE: Fiscal Monitoring Report of St. Louis Efforts for AIDS, Inc.- Ryan White Care Act (Title I), Contracts #HD-06-39, #HD-06-42, #HD-06-43, Metro AIDS Prevention Contracts #HD-06-31 & #HD-06-35, Ryan White Title II Case Management Contract #HD-06-50, (Project # 2007-DOH12)

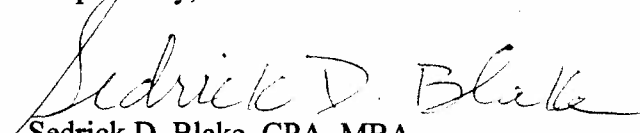
Dear Mr. Schweizer:

Enclosed is a report of our fiscal monitoring review of St. Louis Efforts for AIDS, Inc. Ryan White Care Act (Title I), Ryan White Title II Case Management, and Metro AIDS Prevention for the period January 1, 2006 through February 28, 2007.

The scope of a fiscal monitoring review is substantially less than an audit and, as such, we do not express an opinion on the financial operations of St. Louis Efforts for AIDS, Inc. Our fieldwork was completed on April 18, 2007.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and through an agreement with the Department of Human Services (DHS) to provide fiscal monitoring to all grant sub-recipients. If you have any questions, please contact Charles Schroeder at 589-6089.

Respectfully,


Sedrick D. Blake, CPA, MBA
Audit/Fiscal Executive

cc: Henrietta Brown, Fiscal Manager, City of St. Louis Department of Health
David Fagala, Fiscal Supervisor, City of St. Louis Department of Health



CITY OF ST. LOUIS

DEPARTMENT OF HEALTH (DOH)

ST. LOUIS EFFORTS FOR AIDS, INC.

RYAN WHITE CARE ACT (TITLE I) CFDA #93.914

RYAN WHITE CARE ACT (TITLE II) CASE MANAGEMENT CFDA #93.917

METRO AIDS PREVENTION CFDA #93.940

*CONTRACT #HD-06-39, HD-06-50, HD-06-42, HD-06-31, HD-06-35, HD-06-43
DOCUMENT # 53041, 53367, 53193, 52853, 52854, 53160*

FISCAL MONITORING REVIEW

JANUARY 1, 2006 THROUGH FEBRUARY 28, 2007

PROJECT #2007-DOH12

DATE ISSUED: JULY 27, 2007

Prepared by: Internal Audit Section



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

**CITY OF ST. LOUIS
DEPARTMENT OF HEALTH AND HOSPITALS
ST. LOUIS EFFORTS FOR AIDS, INC.
RYAN WHITE CARE ACT (TITLE I)
RYAN WHITE TITLE II CASE MANAGEMENT
METRO AIDS PREVENTION
CONTRACTS #HD-0-50, #HD-06-39, #HD-06-42, #HD-06-31, #HD-06-35, #HD-06-43
FISCAL MONITORING REVIEW
JANUARY 1, 2006 THROUGH FEBRUARY 28, 2007**

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**CITY OF ST. LOUIS
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METRO AIDS PREVENTION
CONTRACTS #HD-06-39, #HD-06-50, #HD-06-42, #HD-06-31, #HD-06-35, #HD-06-43
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INTRODUCTION

Background

Contract Name(s): St. Louis Efforts for AIDS, Inc.

Contract Program(s): Metro AIDS Prevention CFDA# 93.940
Ryan White Title I CFDA# 93.914
Ryan White Title II CFDA#93.917

Contract Number(s): #HD-06-39, #HD-06-42, #HD-06-43 [Title I] #HD-06-31 & #HD-06-35 [AIDS Prevention] #HD-06-50 [Title II]

Contract Period (s): January 1, 2006 through December 31, 2006 [AIDS Prevention]
March 1, 2006 through February 28, 2007 [Title I & II]

Contract Amount(s): \$220,000, \$176,000, \$68,254, \$60,000, \$60,000 & \$33,046

The Ryan White Care Act Title I, Ryan White Title II, and Metro AIDS Prevention contracts provided funds from the Health Resources and Services Administration (HRSA) through the Department of Health. These funds were used by St. Louis Efforts for AIDS, Inc. to provide early intervention/outreach services, case management, and AIDS prevention services for HIV-positive individuals.

Purpose

The purpose of this fiscal monitoring review was to determine St. Louis Efforts for AIDS, Inc.'s compliance with federal, state, and local Department of Health and Hospitals (DOH) requirements for the period January 1, 2006 through February 28, 2007 for the contracts #HD-06-39, #HD-06-42, #HD-06-43, #HD-06-43, #HD 06-31, #HD 06-35, and #HD 06-50. We will make recommendations for improvements if necessary.

Scope and Methodology

We made inquiries regarding St. Louis Efforts for AIDS, Inc.'s internal controls relating to the Ryan White Care Act (Title I) grant administered by the Department of Health and Hospitals (DOHH), tested evidence supporting the reports the Agency submitted to DOHH and performed other procedures considered necessary. Our fieldwork was completed on April 18, 2007. Management's response was received on June 14, 2007 and has been incorporated into this report.

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CONCLUSION AND SUMMARY OF OBSERVATIONS

Conclusion

Although we found no evidence to indicate that St. Louis Efforts for AIDS, Inc. did not comply with federal, state regulations and local DOHH requirements, we believe that the Agency's internal controls may be improved as suggested in our observation.

Status of Prior Observations

The Agency's most recent fiscal monitoring report dated October 27, 2006 identified one (1) observation.

- Opportunity to Improve Controls over Disbursement Checks. (**Repeated.** See current observation)

A-133 Status

St. Louis Efforts for AIDS, Inc.'s A-133 audit report for the year ended December 31, 2005 was issued April 27, 2006. The A-133 report expressed unqualified opinions on both the general purpose financial statements as well as the report issued on compliance for major programs. There were no reportable conditions or audit findings noted by the external auditors. IAS reviewed this report and recommended it be accepted with no further action taken.

Summary of Current Observations

We made a recommendation for the following observation which, if implemented, could assist St. Louis Efforts for AIDS, Inc. in complying with federal, state regulations and local DOHH requirements:

- Opportunity to improve controls over disbursement checks.

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**DETAILED OBSERVATIONS, RECOMMENDATIONS, AND
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Opportunity to Improve Controls over Disbursement Checks

Good internal controls suggest that two (2) authorized signatures on checks should be used to ensure assets are safeguarded adequately. The Agency has failed to act on the prior monitoring review's recommendation. The Agency had three approved signatories on its checking account but requires only one signature on checks. Various checks issued to vendors and payroll checks were signed solely by the Executive Director of the Agency. Requiring at least two signatures on checks will improve control over expenditures.

Recommendation

We recommend that all disbursement checks be signed by at least two officers of the Agency.

Management Response

[We] have reviewed your comments in the Fiscal Monitoring Draft Report concerning improved financial policies related to controls over disbursement checks and requiring two [2] signatures on all checks.

We agree that such policies should be in place. [the] Board of Directors will be reviewing at our July Board meeting. [We] see no reason that these policies will not be adopted by [the] Board.